BALANCED BUDGET AMENDMENT/Simple Majority Tax-Spending in Interim

SUBJECT: A Resolution Proposing a Balanced Budget Amendment to the Constitution of the United States . . . H.J. Res. 1. Hatch motion to table the Bingaman amendment No. 248.

ACTION: MOTION TO TABLE AGREED TO, 59-40

SYNOPSIS: Pertinent votes on this legislation include Nos. 62-63, 65-68, and 70-98.

As passed by the House, H.J. Res. 1, a resolution proposing a Balanced Budget Amendment to the Constitution, is virtually identical to the balanced budget constitutional amendment that was considered last year by the Senate (see 103d Congress, second session, vote Nos. 47-48). The resolution: will require a three-fifths majority vote of both Houses of Congress to deficit spend or to increase the public debt limit; will require the President's annual proposed budget submission to be in balance; and will require a majority of the whole number of each House to approve any bill to increase revenue. Congress will be allowed to waive these requirements for any fiscal year in which a declaration of war is in effect. Congress will enforce and implement this amendment by appropriate legislation. The amendment will take effect in fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later. The States will have 7 years to ratify the amendment.

The Bingaman amendment would amend the effective date of the amendment to provide that the amendment will not go into effect until 7 years pass without any statute, rule or other provision in effect in either House of Congress that requires more than a majority of a quorum to approve either revenue increases or spending cuts.

Debate was limited by unanimous consent. Following debate, Senator Hatch moved to table the Bingaman amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The Senator from New Mexico is well intentioned in offering this amendment, but he misunderstands the nature of the House rule that was just adopted that will require a supermajority vote to raise taxes, and he misunderstands the constitutional effect of his

(See other side)

| YEAS (59) | | | NAYS (40) | | | NOT VOTING (1) | |
|---|--|---|-----------------------|--|--|--|------------------------------------|
| Republicans Democrats | | Republicans | Republicans Democrats | | Republicans Democrats | | |
| (5 | (52 or 100%) (7 or 15%) | | (0 or 0%) | (40 or 85%) | | (1) | (0) |
| Abraham Ashcroft Bennett Bond Brown Burns Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch Hatfield Helms | Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Packwood Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner | Campbell Exon Graham Heflin Kohl Reid Simon | | Akaka Baucus Biden Bingaman Boxer Bradley Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Feingold Feinstein Ford Glenn Harkin Hollings | Inouye Johnston Kennedy Kerrey Kerry Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Robb Rockefeller Sarbanes Wellstone | EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired | ily Absent inced Yea inced Nay Yea |

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amendment. First, his assumption that the House rule requiring a three-fifths majority vote to raise taxes will necessarily be operative for the next 7 years is false. A majority vote in the House could discard this rule tomorrow, or, if Republicans make the drastic, unfair budgetary changes about which so many of our Democratic colleagues ominously warn, then there may consequently be a few more Democratic Members around next Congress to change the rule. If our colleagues are right that Americans are chomping at the bit to raise tax rates, then of course Americans will search far and wide for candidates who promise to raise those tax rates. In sum, there is nothing wrong with supermajority vote requirements, and no reason to fear them. They are legitimate rules, which each House has the constitutional right to devise as it sees fit, and they can be changed by majority votes.

Under the Bingaman amendment, though, that constitutional right would be partially lost for the next 7 years. If the voters elect Members who wish to make it more difficult to increase taxes, they are out of luck under this amendment. Similarly, if the voters decide that they want to elect Members who will make it far more difficult to enact spending cuts they will not be able to. For example, the Bingaman amendment would make unconstitutional any supermajority vote requirement to protect veterans' benefits from cuts. Each Congress that is elected has its own priorities and the right to set its own rules. The Bingaman amendment would deny this right for the next 7 years. For any tax hike or spending cut, a majority of a quorum plus 1, which in the Senate is 26 Senators, would be all that would be needed to increase any tax or gut any spending program.

Neither House would be permitted by the Bingaman amendment to have a supermajority vote requirement in the next 7 years. If the House rule were in effect for the next two years, the Bingaman amendment would consequently delay the effective date of this amendment until the year 2004. Similarly, if in the next few years a determined majority of Senators or House Members decided that it wanted to delay the implementation date of this balanced budget amendment, all it would have to do is adopt a supermajority tax or spending requirement, and the effective date would be put off for at least another 7 years.

We understand the chagrin that some Members have with the House rule on tax rate increases that has been adopted. Though we agree with that rule, we have often been in the minority and have chaffed at majority-imposed rules with which we have disagreed. However, rather than trying to amend the Constitution, we made our case to the American people and prevailed at the polls. We suggest our colleagues challenge us in that same political arena, instead of trying to pass this ill-considered amendment.

Those opposing the motion to table contended:

The Bingaman amendment would establish a 7-year period during which we would go from a \$200 billion annual deficit to no annual deficit, without any preconditions on how we raise taxes or cut spending to get there. The amendment is necessary because with the new membership in Congress it appears likely that in its absence an effort will be made to achieve a balanced budget in an inequitable manner. We are particularly concerned with the promises that have been made in the House Republican campaign document, Contract with America, and with the recent House rule that will require a three-fifths majority vote to raise income tax rates. With repeated assurances from nearly all Members of Congress that Social Security will not be cut, with the only talk about Medicare and Medicaid being about slowing the rate of their growth, with promises of increased defense spending, and with the impossibility of reducing interest payments, it appears that any real cuts that are going to be made will either have to be in the 18 percent of the budget that constitutes domestic discretionary spending, the 1.5 percent that constitutes foreign aid, or in the remaining 10 percent of mandatory spending not mentioned above. Considering the difficulty in cutting mandatory spending, it appears that funding on domestic discretionary spending, which includes such areas as law enforcement, agricultural aid, and social services spending, will be the main target for spending cuts. The stark reality is that there is not enough money in domestic discretionary spending to balance the budget. We are not realistically going to slash all basic Federal services; to balance the budget, additional revenues are going to have to be raised.

All of the 5 major recent attempts to reduce the deficit have combined tax increases and spending cuts. The Reagan deficit reduction packages were in 1982 and 1987; the Bush deficit reduction packages were in 1989 and 1990; the Clinton deficit reduction package was in 1993. These efforts, as painful as they were, did not solve the problem. Much more stringent efforts are going to be needed in the next 7 years. Tax hikes are going to be necessary.

With the House Republican promise not to raise income tax rates, the main sources of tax revenue that are going to be available to the Federal Government are extremely regressive. Sales taxes, gas taxes, excise taxes, Social Security taxes, and similar taxes primarily fall on low- and middle-income Americans. Asking the poorest taxpayers in America to shoulder the brunt of any tax increases that are imposed at the same time as the Federal Government is poised to cut drastically the discretionary Federal programs that are for those same Americans' benefit is ruthlessly unfair.

The Bingaman amendment is thus aimed squarely at the new House rule to require a three-fifths majority vote to raise taxes. It would require the elimination of that rule and all similar rules for the 7-year period prior to the implementation of this amendment. It would thereby make it possible to consider all spending cuts and revenue increases equally, without tilting the deck against low-and middle-income Americans. In the interest of fairness, we urge our colleagues to oppose the motion to table this amendment.